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Automated Underreporter (AUR) and Correspondence Exam Emerging Issues

Campus Compliance Services

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Campus Reporting Compliance Programs

Two major compliance programs within the Campus Reporting Compliance Organization:

- Correspondence Examination
- AUR - Automated Underreporter

Similarities and the differences between AUR and Exam



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Similarities between AUR and Campus Exam

Notice progression

A timely written response includes:

- Response page
- Detailed explanation for each issue with supporting documents attached
- Contact number
- Using the envelope provided
- Sign the notice and submit payment if you agree with the notice



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Campus Examination Inventory Selection

Original or Amended Returns with
potentially questionable deductions,
expenses or credits

- Use data to identify returns with high
potential for a tax adjustment:

Third party information

Potentially inconsistent line items on
the tax return

- Referrals from Criminal Investigation
and preparer /promoter actions

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Campus Examination Audit Issues

Earned Income Tax Credit (EITC)

Certain Non-filing Conditions

Schedule A Issues

- Employee Business Expenses (EBE)
- Charitable Contributions

Emerging Issues and Refundable Credits
(Adoption, First-Time Homebuyer
Credits)

Schedule C Issues

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Campus Examination Letters and Notices

CP 75 Notices (75, 75A, 75D) generally for
EITC and dependency issues

Letter 566(SC/CG) – For most non-EITC
issues - no report

Letter 566-B(SC/CG) Non-EITC Issues.
Includes an examination report (Form
4549)

Letter 566-D - Claims

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Campus Exam - Practitioner Concerns

Intelligent Contact Management

Requests for additional time to respond

Acknowledgement letter

Streamlined mail processing

Suspense guidance strengthened

Enterprise E-Fax

Additional outreach with practitioner
and external groups – Focus Groups!

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Automated Underreporter

IRS matches amounts reported on returns with information returns submitted by third parties

This computer matching begins *after* original return due date - not a real time process

When a discrepancy is identified, an AUR case is created

Tax examiners attempt resolution of the discrepancy prior to taxpayer contact



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AUR - Helpful Hints/Common Mistakes

Do not group or net amounts

Include an explanation when payer data is incorrect

Report income on the correct line

Include all back-up schedules



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AUR Initiatives

Telephone Automation

Enterprise E-Fax

Notice Clarity

Improved Inventory Selection

Program Expansion

- Matching of Business Filers
- New Income Types
- New Campus Operation



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Compliance Programs

Key Points:

- Respond to our notice
- Work with us to resolve the issues

Significant Compliance Programs

- Between both programs over 8 million notices
- Over \$15 billion assessed

Questions?



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What's New on IRS.gov

Topic	Search Word(s)
Electronic Newsletters (payroll providers, small businesses and tax professionals)	e-news subscribe
Multimedia Center (audio, video and text)	multimedia center
Social Media (iTunes, podcasts, Twitter, widgets, YouTube and IRS2Go mobile app) *Follow IRS on Twitter @IRSTaxpros	new media
Video Portal - Your Guide to an IRS Audit - Virtual Small Business Tax Workshop	www.irsvideos.gov
Basic Tools for Tax Professionals	basic tools
E-Services – Online Tools for Tax Pros	Eservice
Tax Information for Tax Professionals	information for tax professionals